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MOUNTAIN FUEL SUPPLY COMPANY

180 EAST FIRST SOUTH . P.O. BOX 11368 86 AUGL 22 CITYANTAGO 4139 . PHONE (801) 534-5555

UTAH PUBLIC SERVICE COMMISSION

August 18, 1986

Utah Public Service Commission Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84110

Attention: Steven Hewlett

Gentlemen:

Re: Mountain Fuel's Monthly Report of Intercompany Loan Activity as Required by the Commission

in its Order in Case No. 85-057-09.

Enclosed for filing with the Commission are twenty copies of a form showing Mountain Fuel Supply Company's intercompany loan activity in July. It shows that Mountain Fuel has loaned Questar \$38 million as of August 7, 1986. Also enclosed is a sheet showing the computation of the intercompany interest rate for August.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Alan K. Allred Director, Rates

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Enclosures

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MOUNTAIN FUEL SUPPLY COMPANY 186 AND 22 AND 107 INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

DATE OF LOAN	LSERVICE (OMMPS FON	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
5/12/86	Paymento	f 2/24/86 not		(1,000,000)	47,000,000
5/12	1	4/28/86 note	i i	(6,000,000)	41,000,000
5/23	Byment of	3/3/86 note		(1,000,000)	40,000,000
5/23	Payment	of 3/10/86 na	ė_	(9,000,000)	31,000,000
5/30	Payment or	3/5/66 note		(2,000,000)	29,000,000
6/25	0 4/8/80	ment Note		(6,000,000)	23,000,000
6/30	90 doys		7./3	15,000,000	38,000,000
7/7	Renewal	<u></u>		(22,000,000)	16,000,000
7/7	90 days		7.03	22,000,000	38,000,000
8/7	Renewal	~		(1,000,000)	37,000,000
8/7	90 days		6.58	1,000,000	38,000,000
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QUESTAR CORPORATION INTERCOMPANY INTEREST RATE

For Transactions Initiated During the Month of August, 1986

Market Borrowing Rate (60 days)	6.75
Market Investment Rate (60 days)	6.40
	13.15
Intercompany Interest Rate (Average)	6.58%